

Skills for a Low Carbon Economy: **what next?**

**Licensing and certification to increase skills provision
amongst low carbon SMEs in the UK**

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Paris, 27 February 2012

Outline

- Licensing has been used in parts of the UK Construction sector to ensure standards
- Various UK low carbon initiatives have a skills licensing element to them
- However track record is ambiguous and under researched

Defining licensing

- Licensing involves the requirement for certification based on specific qualifications in order to practice
- Licensing can have a statutory basis, be linked to funding access or result from sectoral agreements
- Traditionally associated with safety critical occupations

Historic use of licensing in the UK construction sector

- UK construction dominated by SMEs – 93% of the 200,000 UK firms with less than 13 people
- Licensing concentrated in safety critical areas – gas electrics and scaffolding

UK low carbon licensed occupations

- Energy Auditors – Produce Energy Performance Certificates (EPCs) and many will become Green Deal Assessors
- Microgeneration Certification Scheme (MCS) installers – Minimum levels of competence and commitments to training by installation companies

UK Green Deal licensing

- Green Deal Advisors – will have an individual licensing system
- Green Deal Installers – still unsure but a mix of individual and company level competent person licensing based on MCS and Electrical schemes

Track record with licensing

- Evidence from the US suggests licensing is associated with higher wages, but no clear changes to safety or competence
- Evidence from non-construction licensing in the UK suggests benefits in terms of consumer confidence

Employment skills and growth in UK low carbon sector

- Scope for UK low carbon and environmental goods and services employment growth from 880,000 to 1,280,000 by 2017
- Leeds city region study shows potential for 4,500 energy efficiency jobs reducing energy bill by £1.2 billion and emissions by 36%

Conclusions and discussion

- Licensing requires robust underlying qualifications and it is not clear if there will be time to develop these for the Green Deal
- There is ambiguous evidence about the impact of licensing beyond improved consumer confidence